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P U B L I C S E R V I C E S

FYDP Improvement Focus Area

Performance Measurement/ GPRA

Overview

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- **This purpose of this brief is to review PPBS Improvement issues related to Performance Measurement and GPRA**
- **The following areas will be addressed:**
  - Problem Statement
  - Problem Description/Examples
  - Root Cause
  - Questions
  - Potential Solutions

Problem Statement

- **There is an absence of performance measurement internal to the PPBS process and an unclear link between DON strategic goals, performance measures and PPBS information**

Problem Description/Examples

- **There are two parts to the PPBS performance measurement issue**
  - *Internal* - Lack of performance measures that gauge the overall effectiveness of the PPBS process
  - *External* - How is PPBS information used to measure the progress of DON in meeting its strategic goals (as directed in GPRA act)

Problem Description/Examples

- **Internal Performance Measurement**
  - DON invests a substantial amount of resources in the PPBS process without accurately measuring:
    - Return on investment
    - Optimal allocation of resources
    - Effectiveness or efficiency of overall PPBS process, or individual phases
    - What is working and what is not

- **Examples**
  - There are no internal performance measures that provide feedback to the Planning, Programming and Budgeting phases on how effective these phases are in performing their actions

  - How does DON know if recent changes in the Planning phase such as incorporation of the IWAR have improved PPBS?

Problem Description/Examples

- **External Performance Measurement**
  - GPRA requires DOD to submit:
    - Strategic Plan - QDR serves as the Strategic Plan
    - Annual Performance *Plan* - Consists of performance measurement goals that should be tied to strategic goals and budgeted line items
    - Annual Performance *Report* - Describes the degree of success in meeting the Performance Plan
  - The PPBS process is used to implement GPRA within the DON however there is no direct link between the QDR and DON budgeted line items
  - DON performance measures and how they support the QDR are unclear
  - Integration between Planning Phase and DON strategic goals is unclear
- **Examples**
  - Performance plans are not linked to budget requests and Performance Reports are not linked to budget expenditures
  - 1997 QDR goals (“Shape, Respond and Prepare”) are not linked to budget line items

Root Cause

- **PPBS process is too long**
  - Before plans can produce results time has changed too many of the variables
  - Constant revisiting of prior decisions obscures the focus of the original outcome/goals sought
- **Absence of easily accessible Execution data**
- **Inherent problems with organizational size of DON and volume of budget data**
- **Congressional process and inconsistent nature of political decision making**
- **Performance measures are used to meet Congressional mandates (i.e. GPRA) but not used to manage the organization**

Potential Solutions

- **Balanced Scorecard**
  - Would establish a formal process of linking goals to performance measurement to budget
- **Activity Based Costing**
  - Could provide a cost baseline and *internal* performance measures for efficiency of PPBS process

Questions

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- **What is DON leadership level of interest in internal performance measurement?**
  - i.e Do they really want to know how much they spend on PPBS
  - Who are the stakeholders
  - Who is going to be the champion
- **GPRA requirements apply to DOD, not DON directly – is it worth fixing DON if DOD does not address their problems?**
- **How is data collected within DON to meet DOD GPRA requests?**
- **How can PBIS be used as a source of performance measurement data?**
- **What is the impact of PE restructuring?**